

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on March 19, 2001 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 447, HB 9, HB 3, HB 4
Executive Action: HB 4, HB 447, HB 9

HEARING ON HB 447

Sponsor: REP. DAVE LEWIS, HD 55, HELENA

Proponents: **Eric Griffin, Lewis and Clark County**
 Bob Person, Great Divide Skiing Company
 Hal Harper, Citizen
 George Marble, Citizen
 Jim Currie, Department of Transportation

Opponents: **None**

Opening Statement by Sponsor:

REP. DAVE LEWIS, HD 55, HELENA, handed a letter from Max Baucus to the committee **EXHIBIT(aph62a01)**. He offered proposed amendments **EXHIBIT(aph62a02)**. He said the bill would improve the road going to Marysville. He mentioned the opportunity for funding the project and the pre-planning needing to be done.

Proponents' Testimony:

Eric Griffin, Lewis and Clark County, supported the bill and asked for the committee's consideration of the legislation.

Bob Person, Great Divide Skiing Company, handed in a testimony **EXHIBIT(aph62a03)**.

Hal Harper, Citizen, offered history of the road and description of the area around Marysville. He felt the bill would begin the process of cleaning up the area and offer a better access to motorists.

George Marble, Citizen, offered a small petition **EXHIBIT(aph62a04)**. He explained the road conditions during the year.

Jim Currie, Department of Transportation, supported the bill.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. DAVE KASTEN asked where this project was on the list of priorities. **Hal Harper** said it was top priority.

REP. KASTEN asked if this would impact the Secretary of State's funds in any way. **Jim Currie** answered no.

REP. JOHN WITT wondered about secondary funding. **Jim Currie** addressed the selection process that came together from SB 333 during the 1999 Legislative Session.

REP. WITT asked if the state highway would have the same position if the road were in Eastern Montana. **Jim Currie** didn't think the geographical area would matter.

CHAIRMAN VICK asked if the road was paved would it become part of the system. **Jim Currie** said by paving the road would not make it apart of the state highway system.

REP. MATT MCCANN referred to the amendment and asked if there would be an appropriate grant for the road. **Jim Currie** answered yes.

REP. MCCANN asked if the bill was opening up more amendments for the Department of Transportation. **Jim Currie** said the department would be responsible to administer those funds if they were available.

REP. DICK HAINES asked what the process of the project was. **Jim Currie** wanted to defer the question to the county.

REP. HAINES asked what the ADT was on the road. **Eric Griffin** said the ADT refers to 280 trips per day. He explained the plan for reconstructing and paving of the road.

REP. HAINES asked how the project ranked against other projects. **Eric Griffin** said Marysville road was classified as a major collector.

{ Tape 1; Side B }

REP. FISHER thought this bill would be a good benefit and the committee should support it. **REP. WITT** thought the area around Marysville should be cleaned up first.

Closing by Sponsor:

REP. DAVE LEWIS, HD 55, HELENA, summarized the need for the road access and clean up. He talked about the dangers it poses as a extensively used road. He urged the committee to pass the legislation.

HEARING ON HB 9

Sponsor: **REP. DAVE KASTEN, HAD 99, BROCKWAY**

Proponents: **Judy Ericksen, Chairman, Cultural Trust Citizens
Advisory Panel**

Carleen Layne, Accountant, Montana Arts Council

Opponents: None

Opening Statement by Sponsor:

REP. DAVE KASTEN, HAD 99, BROCKWAY, said the bill was from the request of the Office of Budget and Program Planning. He explained how it dealt with the Culture and Aesthetic Grant Program administered by the Montana Arts Council. He stated the bill would be funded through investment earnings from a statutory trust. He handed out a list of organizations and requested funding **EXHIBIT (aph62a05)**.

Proponents' Testimony:

Judy Ericksen, Chairman, Cultural Trust Citizens Advisory Panel, explained what the Cultural Trust Advisory Panel's responsibilities were.

Carleen Layne, Accountant, Montana Arts Council, handed out a map of Montana and the population areas **EXHIBIT (aph62a06)**. She mentioned the distribution areas.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

REP. DAVE KASTEN, HAD 99, BROCKWAY, closed on the bill and asked for support of the legislation.

HEARING ON HB 3

Sponsor: **REP. STANLEY FISHER, HD 75, BIGFORK**

Proponents: Jane Hammon, Office of Budget Program Planning
 Kurt Alme, Department of Revenue
 Scott Sim, Public Health and Human Services
 Don Artley, Department of Natural Resources and
 Conservation
 Larry Fasbender, Department of Justice
 Arnie Olson, Montana Historical Society
 Becky Buska, Department of Corrections

Opponents: None

Informational Witness: **Rod Sundsted, Associate Commissioner,
University System**

Opening Statement by Sponsor:

REP. STANLEY FISHER, HD 75, BIGFORK, handed out an explanation of supplemental appropriation amendments **EXHIBIT(aph62a07)**. He presented amendments to the bill **EXHIBIT(aph62a08)** and he handed out a comparison of general funds **EXHIBIT(aph62a09)**. He explained the handouts and offered explanations to the funding.

Proponents' Testimony:

Jane Hamman, Office of Budget Program Planning, explained the reduction in the supplemental funding in the Governor's office. She stated the reduction was due to fewer exempt staff turn over with the change in administration.

Kurt Alme, Department of Revenue, talked about three separate supplemental requests and gave a brief description of each.

Scott Sim, Public Health and Human Services, explained how the department put the figures together for the supplemental.

Don Artley, Department of Natural Resources & Conservation, handed out an estimated fire supplemental **EXHIBIT(aph62a10)**. He also handed out another supplemental **EXHIBIT(aph62a11)**. He offered a history of the fire damages from the previous year. He mentioned the fires were funded through a supplemental appropriation.

Larry Fasbender, Department of Justice, explained the hiring process from an elected official. He stated how the estimate was done based upon the assumption there would be turnover in staff.

Arnie Olsen, Montana Historical Society, briefly went over the supplementals. He explained the move of the Bob Sriver collection from Browning. He also stated there was a supplemental pertaining to the archives.

Becky Buska, Department of Corrections, pointed out there was a request for \$4 million, approximately \$3.6 million for inmates being held in contracted prisons and county jails. She explained the facilities and referenced SB 489.

Opponents' Testimony: None

Informational Witness:

Rod Sundsted, Associate Commissioner, University System, mentioned the supplemental funding needed for natural gas. He reflected upon the work from the 1999 Legislative Session with this issue. He said the university system was affected by this.

Questions from Committee Members and Responses:

REP. MCCANN asked about the Governor's office supplemental. **Jan Hammon** did not know the exact number of exempt personnel for the Governor. She explained the days of leave for employees and the effects.

REP. MCCANN asked if the budget would be available in this biennium. **Jane Hammon** said the statute does not allow for things to be carried over from one biennium to the next.

REP. DAVE LEWIS asked about receiving customers for the service center. **Kurt Alme** explained components for the customer service not being productive.

REP. LEWIS asked if the consultants would be accountable for making any bad decisions. **Kurt Alme** said the companies were not being considered currently.

REP. HAINES asked how much money was at stake over the dispute. **Kurt Alme** said the change order was for \$1.4 million adding to a total of over \$2.4 million in dispute due to the delay.

REP. HAINES wondered if the contractor would want more money from the state. **Kurt Alme** answered yes, that was correct.

REP. LEWIS asked if this would affect the next biennium budget. **Scott Sim** said the governmental transfers would be effective January 1, 2002.

REP. MCCANN asked where the transfer would come from. **Scott Sim** said it would come from inter-governmental transfers.

REP. KASTEN asked about the impacts on nursing homes. **Scott Sim** said it would increase the rate.

REP. JOE TROPILA asked if \$520,000 had been taken out twice. **Don Artley** explained the money paid for bills and the calculations involved. He said they were going to receive \$22.7 million in reimbursements.

REP. LEWIS asked if \$15 million was the amount that came out of the general fund. **Don Artley** answered yes.

REP. KASTEN asked if \$9 million could be ended up with. **Don Artley** explained this issue had been factored in.

REP. JOEY JAYNE asked where the \$22.7 million amendment came from. **Don Artley** referred to the handouts.

{Tape : 2;
: A}

Side

REP. JAYNE asked if there was an average cost for extradition. **Carol Smith, Representing Governor's Office**, gave a listing of average costs due to prisoner extradition **EXHIBIT (aph62a12)**. She said the number had not increased, but the transportation had.

Taryn Purdy, Legislative Staff, referred to HB 4 from the 1999 Legislative Session and explained certain income from timber harvest. She mentioned the distribution to schools for technology purchases.

REP. TROPILA mentioned the amount originally requested was not needed. **Jane Hammon** agreed.

REP. JEFF PATTISON asked about the amount for storage of artifacts. **Arnie Olson**, said the state paid \$5.25 per square foot for space rented.

REP. PATTISON asked if any other state building had been considered for storage. **Arnie Olson** said the society was in the process of searching for storage uses.

REP. ROSIE BUZZAS asked if library archives would be available for use during storage. **Arnie Olson** said most of the archives are accessible.

REP. CHRISTINE KAUFMANN asked if the inmate population was too high. **Becky Buska** answered yes.

CHAIRMAN VICK asked about the department hiring employees not budgeted for. **Becky Buska** gave explanations to the hiring process and the budget.

CHAIRMAN VICK thought the hiring of extra people was the reason for the supplemental.

REP. JAYNE asked how much of the \$3.5 million went to prison and county jails. **Becky Buska** said the total expenditures for 2001 were approximately \$18 million. She tried to explain the breakdown and distributions. **Joe Williams, Department of**

Corrections, addressed the concerns and mentioned the decision was made by the Governor and Director.

{Tape : 2; Side :B}

REP. BUZZAS asked why the extra positions were not asked for prior to the biennium. **Joe Williams** tried to explain the reasons for the decision.

Taryn Purdy addressed the \$4 million from the Department of Corrections that was not included in the total. She addressed language from HB 2 regarding the issue and D.U.I. bill.

CHAIRMAN VICK asked if the \$4 million was balanced out. **Taryn Purdy** did not have an answer about the left over \$2 million.

REP. BUZZAS asked if it was contingent on the passing of the D.U.I. bill for the \$4 million to be on the supplemental. **REP. PATTISON** explained where the \$4 million was.

REP. MCCANN said the costs had been incurred in the biennium. He wondered about projecting a reduction in the upcoming budget if the bill passed. **Taryn Purdy** said the \$4 million was not an official part of the Governor's request for a supplemental.

REP. BUZZAS asked if the D.U.I. bill passed, would there be revenue to offset the supplemental costs. **REP. LEWIS** answered yes, that was correct.

REP. BUZZAS wondered if there were no additional costs towards the new treatment under the D.U.I. law. **Becky Buska** explained the projected cost savings under SB 489.

REP. WITT wondered if the committee should address the Office of Public Instruction. **Kathy Fabiano, Office of Public Instruction**, said \$8.9 million was needed to complete the distribution of state equalization aid to schools for the current year. She said additional funds were needed for payments to the counties for county retirement funds.

Closing by Sponsor:

REP. STANLEY FISHER, HD 75, BIGFORK, summarized the supplemental funding and closed on the bill.

{Tape : 3; Side : A}

HEARING ON HB 4

Sponsor: REP. JOHN WITT, HD 89, CARTER

Proponents: Kathy Fabiano, Office of Public Instruction
Larry Fasbender, Department of Justice
Gene Huntington, Gambling Control Division
Carleen Layne, Accountant for the Montana Arts
Council
Jim Hill, Montana State Library
Arnie Olson, Director, Montana Historical Society
Becky Graham, Governor's Budget Office
Ann Danzer, Department of Environmental Quality
Don Meritt, Board of Crime Control
Jim Currie, Department of Transportation
George Harris, Department of Livestock
Ann Bauchman, Department of Natural Resources &
Conservation
Don Artley, Department of Natural Resources &
Conservation
Shaunda Hildebrand, Department of Labor & Industry

Opponents: None

Informational Witness: Jane Hammon, Office of Budget & Program
Planning

Opening Statement by Sponsor:

REP. JOHN WITT, HD 89, CARTER, handed out amendments
EXHIBIT(aph62a13) & **EXHIBIT**(aph62a14). He explained the
amendments and changes reflecting the bill.

Proponents' Testimony:

Kathy Fabiano, Office of Public Instruction, told the committee
that their request was for \$1.5 million in federal funds, money
received through the Department of Agriculture for the school
lunch program. She explained how further funding was needed due
to more eligible children.

Larry Fasbender, Department of Justice, supported the bill.

Gene Huntington, Gambling Control Division, said the budget
amendment related to the development of the dial-up automated,
accounting and reporting system. He mentioned how it related to
the chip installed with gambling machines.

Carleen Layne, Accountant for the Montana Arts Council, said the purpose of the supplement was to give the council continuing authority into the next biennium for a \$10,000 grant.

Jim Hill, Montana State Library, said the bill would allow the department to continue work on three projects.

Arnie Olson, Director, Montana Historical Society, said there were several federal grants needing authority to carry over into the next biennium.

Becky Graham, Governor's Budget Office, explained how Fish, Wildlife & Parks had a balance of \$64,000 needing to continue into 2002.

Ann Danzer, Department of Environmental Quality, gave a lengthy explanation of the budget amendment request for DEQ.

Don Merrit, Board of Crime Control, said the request was to continue federal pass through grant authority into the next biennium. He explained the grants.

Jim Currie, Department of Transportation, wanted grant federal budget amendment authority for 2001 carried forward for a human resource grant.

George Harris, Department of Livestock, referred to bison brucellosis facility in West Yellowstone and the budget agreements with the federal government.

Ann Bauchman, Department of Natural Resources & Conservation, explained water management projects and the funding being asked for.

Don Artley, Department of Natural Resources & Conservation, explained the amount used through the past fire season. He mentioned the request and how the funds would be distributed.

Shaunda Hildebrand, Department of Labor & Industry, described the workforce investment grant and other funds requested.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. MCCANN asked if the department was going to pay for the interface boards. **Gene Huntington** said that was correct.

REP. MCCANN asked how they would collect the amount. **Gene Huntington** explained the process involved and how to purchase the board.

REP. FISHER asked if new machines entering the state would have the boards on them. **Gene Huntington** said the supplemental was for retrofitting the existing machines. He stated the new machines would work without the board.

REP. WITT wondered how much money was involved. **Carleen Layne** said the total grant was \$10,000.

REP. MCCANN asked if they were converting from entering a community to a type of web page situation. **Carleen Layne** answered yes.

REP. PATTISON asked if there was anything currently similar on the internet. **Carlee Layne** said there was a web site with photographs and information.

REP. MCCANN asked why the dollar amounts were not inserted into the amendments. **Jane Hammon, Office of Budget & Program Planning**, said they had tried to indicate the original authority with establishing the funding. She said the supplemental reflected the unspent balance available.

REP. MCCANN wanted clarification with the budget amendment. **Jane Hammon** explained the new money being approved by the authority after the legislature ends.

REP. KASTEN asked who made the decisions for the funding. **Jane Hammon** offered authority examples and explained how the funding was not spent at certain times.

{Tape 3; Side B}

REP. FISHER asked if the funds were used for any new regulations. **Ann Danzer** explained the assistance towards industries and lowering energy costs.

REP. BUZZAS asked if the money being carried forward was for under aged drinking law enforcement. **Don Merrit** answered yes.

REP. BUZZAS asked if the other amount was for discretionary grants. **Don Merrit** answered yes.

REP. BUZZAS asked for a definition of the funding for prevention or treatment. **Don Merrit** said it was aimed at prevention and went to law enforcement agencies and schools.

REP. PATTISON asked if the Whitewater Youth Ranch would be eligible for some of the grants. **Don Merrit** explained the guidelines and requirements involved.

CHAIRMAN VICK asked if funding was available for training towards fire services. **Don Artley** thought the fire services training school was in the University Extension budget.

{Tape 4; Side A}

CHAIRMAN VICK asked why they receive wildfire disaster grants. **Ingrid Childress, Department of Labor & Industry**, said it was a cooperative effort. She explained the emergency grants received.

CHAIRMAN VICK asked if there was a total for the cost of the bill. **Taryn Purdy** said the total was \$16 million.

Closing by Sponsor:

REP. JOHN WITT, HD 89, CARTER, summarized the supplemental requests and offered explanations for the funding. He closed on the bill.

EXECUTIVE ACTION ON HB 4

Motion: **REP. WITT** moved HB 4 BE AMENDED.

Discussion:

REP. KAUFMANN asked why the need for all the supplementals. **Jane Hammon** said they were asking for funding available within the current fiscal year. She explained the approving authorities and requesting of additional funding.

Vote: Motion carried unanimously.

Motion/Vote: **REP. WITT** moved HB 4 DO PASS AS AMENDED. Motion carried unanimously.

Miscellaneous Discussion:

CHAIRMAN VICK asked for explanation with the ending balance if HB 3 were to pass. **Terry Johnson, Legislative Fiscal Division**,

explained the supplementals. He handed out a status sheet **EXHIBIT**(aph62a15) .

CHAIRMAN VICK asked about passing SB 489 and how the ending balance would reflect it. **Terry Johnson** said if SB 489 passed then language from HB 2 would be changed.

CHAIRMAN VICK wondered if by passing HB 3 a loss of \$4 million would occur. **Terry Johnson** said that would be correct.

Taryn Purdy explained to the committee \$1.9 million would be lost if HB 3 and SB 489 were passed. If only HB 3 pass a total amount of \$5.9 million would be lost.

REP. BUZZAS asked if SB 489 didn't pass and HB 3 passed would there be a potential shortfall in HB 2 of \$2.8 million. **Terry Johnson** explained the reduction.

REP. CALLAHAN wanted to know where the money would come out of HB 2. **REP. PATTISON** explained how the passing of SB 489 would affect HB 2. **Terry Johnson** explained the structural deficit.

REP. MCCANN asked if there were appropriations on page two that would impact fiscal year 2003. **Terry Johnson** referred to page three and explained the appropriations.

{Tape 4; Side B}

EXECUTIVE ACTION ON HB 447

Motion: **REP. LEWIS** moved HB 447 BE AMENDED.

Discussion:

REP. LEWIS explained the amendment and changes towards the bill.

Vote: Motion carried unanimously.

Motion: **REP. LEWIS** moved HB 447 DO PASS AS AMENDED.

Discussion:

REP. CALLAHAN felt the committee should send a letter to the Department of Transportation. **REP. LEWIS** clarified what he thought was one of the proponent's purpose in testifying.

{Tape 5; Side A}

Vote: Motion carried 11-7 with REP. DAVIES, REP. JAYNE, REP. KASTEN, REP. MCCANN, REP. TROPILA, REP. WITT and CHAIRMAN VICK voting no.

EXECUTIVE ACTION ON HB 9

Motion: REP. KASTEN moved HB 9 BE AMENDED.

Discussion:

REP. KAUFMANN asked if there would be funding left over. REP. KASTEN explained the adjustments made and total that would be left over.

REP. BUZZAS referred to a citizen's advisory group that screened grants and made recommendations. REP. KASTEN offered to go through the amendments and explain the adjustments.

REP. KAUFMANN asked where the starting total funds came from. CHAIRMAN VICK said there was money from the cultural trust and some from the general fund.

Vote: Motion carried unanimously.

Motion: REP. KASTEN moved HB 9 DO PASS AS AMENDED.

Discussion:

CHAIRMAN VICK explained why he opposed the bill. He expressed his desire to abolish the Montana Arts Council.

REP. BUZZAS supported the arts council.

REP. DAVIES agreed with the chairman.

Vote: Motion carried 13-5 with REP. BRUEGGEMAN, REP. DAVIES, REP. PATTISON, REP. WITT and CHAIRMAN VICK voting no.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. STEVE VICK, Chairman

CECILE M. TROPILA, Transcriptionist

SV/PB

EXHIBIT (aph62aad)